

HOW TO IMPROVE YOUR CASH FLOW

A GUIDE TO ACCOUNTS RECEIVABLE FINANCE



WE BELIEVE IN **YOUR** BUSINESS
FACTORING • INVOICE DISCOUNTING • ASSET BASED LENDING

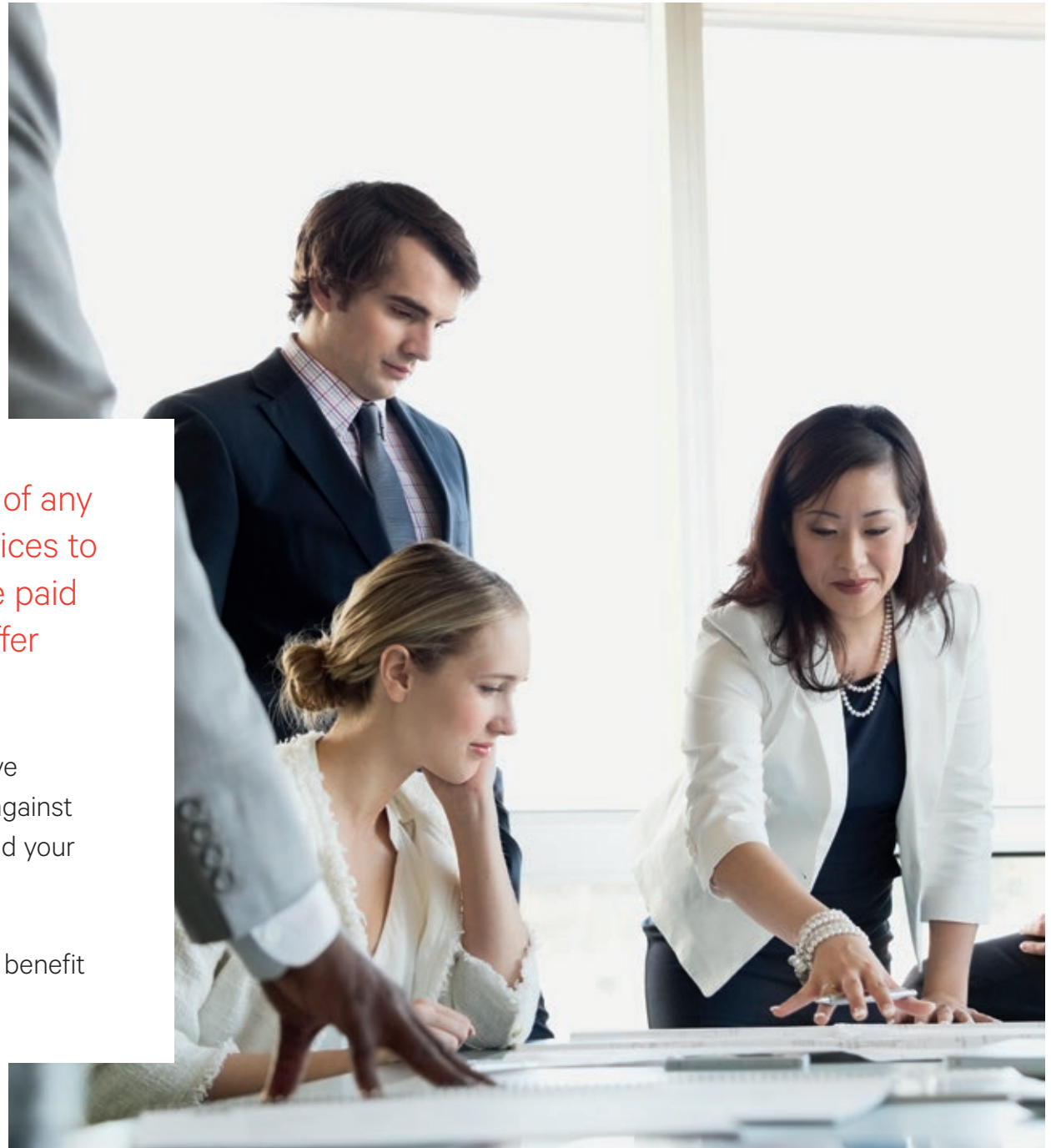


ACCOUNTS RECEIVABLE (A/R) FINANCE **EXPLAINED**

Managing cash flow is essential to the **success** of any business. If you issue invoices for goods or services to other businesses and find yourself waiting to be paid or managing late payments, **A/R finance** can offer many benefits to businesses.

If any of these situations sound familiar, A/R finance could give your business the cash injection it needs. By releasing cash against your accounts receivable, you can manage your cash flow, and your business, more effectively.

In our guide, we explain what A/R finance is and how it could benefit your business.



HOW DOES A/R FINANCE WORK?

There are two types of A/R finance products: **factoring** and **invoice discounting**, the biggest difference between them being who collects the customer payments. Each allows you to release a large proportion of an invoice's value within 24 hours of its issue. Then, once your customer has made their payment, the remaining balance is paid to you, less any agreed fees.

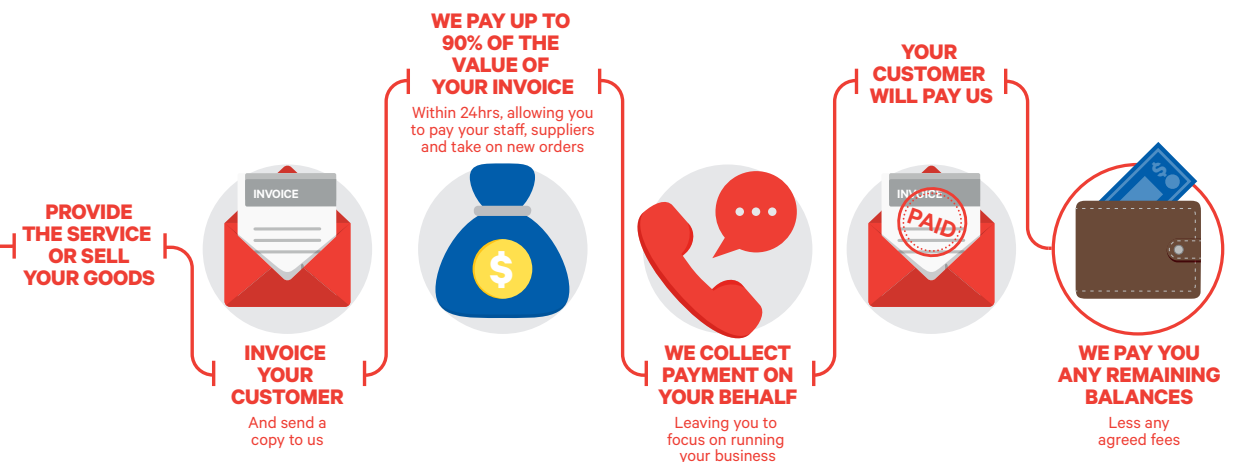
Some businesses that use A/R finance also add bad debt protection to make sure that they still receive payment if their customers can't settle their invoices. This is known as non-recourse factoring.

HOW DOES **FACTORING** WORK?

Factoring is an attractive option for smaller businesses, whose resource would be better spent on day-to-day activities. Because our dedicated team manages your accounts receivable, your time is freed up to concentrate on running your business.

HOW DOES **INVOICE DISCOUNTING** WORK?

Invoice discounting is similar to factoring, in that it gives you access to cash as you issue new invoices. However, a key difference is that you'll be responsible for collecting your payments, while your use of an invoice finance product will be kept completely confidential from your customers.



THE BENEFITS OF ACCOUNTS RECEIVABLE FINANCE

There are many reasons businesses are increasingly turning to A/R finance.

Here are just a few



BOOST YOUR CASH FLOW WITHOUT THE NEED FOR DEBT

Because A/R finance is not a loan, you're not taking on any debt. This keeps your cash flow healthy.

MORE TIME AND RESOURCE TO FOCUS ON YOUR BUSINESS

If you choose factoring, you get full accounts receivable management service, allowing you to focus your time and energy on your business.

MINIMIZE LATE PAYMENT

With A/R finance you receive funding for your accounts receivable within 24 hours of invoicing your customers. This allows you to give your customers the longer payment terms they want without jeopardizing your business's cash flow.

REALIZE OPPORTUNITIES

With an improvement in cash flow you'll be in a better position to realize new opportunities, take on new orders or expand and invest in your business.

TAKE ADVANTAGE OF DISCOUNTS FROM SUPPLIERS

You will be able to take advantage of discounts with your own suppliers as you will be in a position to make larger orders or to take advantage of supplier discounts for early payment.

HELPING BUSINESSES WITH THEIR FUNDING

START-UPS

One of the main challenges for anyone starting a business is securing financing for their new venture. A/R finance gives you quicker access to cash without worrying about building up debt. Also, because it's flexible, your credit can increase quickly to accommodate your growing sales, allowing you to build your business more easily.

BUSINESSES WITH GROWTH ASPIRATIONS

Without the necessary funding in place, expansion plans often stall. A/R finance can turn your ambitions into reality, freeing up cash so you can invest or expand your business.

BUSINESSES ENTERING NEW MARKETS

While exporting can have significant benefits, selling goods or services to overseas customers can present a number of financial challenges. A/R finance can help you overcome unpredictable payment cycles, giving you access to money tied up in invoices without having to wait for bills to be paid.





WHAT OUR CLIENTS SAY

MARK SEGAL, CFO OF ALBANY PACKAGING
REQUIRED CASH FLOW TO GROW THE BUSINESS
AND **REALIZE THEIR POTENTIAL:**

“ The whole Bibby Financial Services team truly knows the meaning of customer service. They worked to provide us with a flexible and customized funding solution, and without their help, we wouldn't have been able to grow at the same rate of speed we have in the past few years. ”

BRUCE CONSTANTINE, PRESIDENT AND
CO-FOUNDER OF ESPRO WANTED TO **GROW
THE BUSINESS** INTERNATIONALLY:

“ The level of service Bibby Financial Services provided was second to none. Because the company is multi-national, it was able to leverage its offices to allow us faster access to payments. BFS had our U.S. retailers pay its U.S. office and transact with us via its Canadian office. It made the process of transacting with U.S. retailers seamless. ”

OUR PRODUCTS AND SERVICES

We provide innovative, tailored funding solutions to small-and medium-sized businesses with a wide range of needs, including cash flow funding, new equipment purchase, growth and expansion, management buy ins and buy outs, refinancing, corporate restructuring and mergers and acquisitions.

The information provided in this guide has been prepared for general guidance and does not constitute professional advice. Businesses should seek professional advice before making any funding decisions.

If you would like to see how Bibby Financial Services can help your business needs, please get in touch with our expert team on:

 (866) 50-BIBBY

 www.bibbycanada.ca

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